

SECTION 2. (a) The Commission on Law Enforcement Officer Standards and Education simultaneously shall appoint new members to the board of directors of the Law Enforcement Management Institute not later than January 1, 1992. The terms of the board that began February 1, 1991, expire at the time the commission appoints new members to the board under this subsection.

(b) In making new appointments under Subsection (a) of this section, the Commission on Law Enforcement Officer Standards and Education may appoint to the board of directors of the Law Enforcement Management Institute a person who was serving on the board for a term that began February 1, 1991. Section 415.095(c), Government Code, prohibiting a member of the board from serving more than one full term, does not prohibit a member reappointed to the board under this subsection from serving a full term as a new appointee in addition to the time the member has previously served on the board.

SECTION 3. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force from and after its passage, and it is so enacted.

Passed by the House on March 7, 1991: Yeas 139, Nays 0, 2 present, not voting; passed by the Senate on March 28, 1991: Yeas 29, Nays 0.

Approved April 11, 1991.

Effective April 11, 1991.

CHAPTER 20

S.B. No. 351

AN ACT

relating to public schools.

Be it enacted by the Legislature of the State of Texas:

SECTION 1. Chapter 16, Education Code, is amended to read as follows:

SUBCHAPTER A. GENERAL PROVISIONS

Sec. 16.001. STATE POLICY. (a) It is the policy of the State of Texas that the provision of public education is a state responsibility and that a thorough and efficient system be provided and substantially financed through state revenue sources so that each student enrolled in the public school system shall have access to programs and services that are appropriate to his or her educational needs and that are substantially equal to those available to any similar student, notwithstanding varying local economic factors.

(b) The public school finance system of the State of Texas shall adhere to a standard of [fiscal] neutrality which provides for substantially equal access to similar revenue per student at similar tax effort, *considering all state and local tax revenues of districts after acknowledging all legitimate student and district cost differences.*

~~[(c) The program of state financial support designed and implemented to achieve these policies shall include adherence to the following principles:~~

~~[(1) the yield of state and local educational program revenue per pupil per cent of effective tax effort shall not be statistically significantly related to local taxable wealth per student for at least those districts in which 95 percent of students attend school; and~~

~~[(2) the level of state and local revenues for which equalization is established shall include funds necessary for the efficient operation and administration of appropriate~~

~~educational programs and the provision of financing for adequate facilities and equipment.~~

~~[(d) Future legislatures are free to use other methods to achieve substantially equal access to similar revenues per student at similar tax effort. These methods may involve minimum tax efforts, redefining the tax base, and other ways to equalize. However, adherence to the state policy described in this section shall be maintained.]~~

Sec. 16.002. PURPOSE OF FOUNDATION SCHOOL PROGRAM. (a) The purposes of the Foundation School Program set forth in this chapter are to guarantee that each school district in the state has:

(1) adequate resources to provide each eligible student a basic instructional program *and facilities* suitable to the student's educational needs; and

(2) access to a substantially equalized program of financing in excess of basic costs for certain services, as provided by this chapter.

(b) The Foundation School Program consists of two tiers to provide for the purposes specified by Subsection (a) of this section. The first tier guarantees sufficient financing for all school districts to provide a basic program of education that meets accreditation and other legal standards. The second tier provides a guaranteed yield system of financing to provide all school districts with ~~[substantially]~~ equal access to funds to provide an enriched program *and additional funds for facilities*.

Sec. 16.003. STUDENT ELIGIBILITY. (a) A student is entitled to the benefits of the Foundation School Program if he is 5 years of age or older and under 21 years of age at the beginning of the scholastic year and has not graduated from high school.

(b) A student to whom Subsection (a) of this section does not apply is entitled to the benefits of the Foundation School Program if the student is enrolled in a prekindergarten class under Section 21.136 of this code.

(c) The commissioner of education, in consultation with the Commissioner of Human Services, shall monitor and evaluate prekindergarten programs in the State of Texas as to their developmental appropriateness. Furthermore, the commissioner of education, in consultation with the Commissioner of Human Services, shall evaluate the potential for coordination on a statewide basis of prekindergarten programs with government-funded early childhood care and education programs such as child care administered under Chapter 44 of the Human Resources Code and federal Head Start programs. This evaluation shall utilize recommendations contained in the report to the 71st Legislature required by Chapter 717, Acts of the 70th Legislature, Regular Session, 1987. For the purpose of providing cost-effective care for children during the full work day with developmentally appropriate curriculum, the commissioners shall investigate the use of existing child care program sites as prekindergarten sites.

(d) A child may be enrolled in the first grade if he is at least six years of age at the beginning of the scholastic year or has been enrolled in the first grade or has completed kindergarten in the public schools in another state prior to transferring to a Texas public school.

~~[Sec. 16.004. SCOPE OF PROGRAM. Under the Foundation School Program, a school district may receive state financial aid for programs, services, facilities, and equipment, including personnel salaries, current operating expenses, categorical programs, and transportation services. The amount of state aid to each school district shall be based on the district's ability to support its public schools.]~~

Sec. 16.005. ADMINISTRATION OF THE PROGRAM. The commissioner of education, in accordance with the rules of the State Board of Education, shall take such action and require such reports consistent with the terms of this chapter as may be necessary to implement and administer the Foundation School Program.

Sec. 16.006. AVERAGE DAILY ATTENDANCE. (a) In this chapter, average daily attendance is determined by the daily attendance as averaged each month of the minimum school year as described under Section 16.052(a) of this code.

~~(b) [For the school year 1990-1991 only, the number of students in average daily attendance under the definition described in Subsection (a) of this section shall not be less~~

~~than 98 percent of the number of students that would be obtained under the definition used for the 1989-1990 school year.~~

~~[(e)] A school district that experiences a decline of two percent or more in average daily attendance as a result of the closing or reduction in personnel of a military base shall be funded on the basis of the actual average daily attendance of the immediately preceding school year.~~

~~(c) The commissioner of education shall adjust the average daily attendance of school districts that have a significant percentage of students whose parent or guardian is a migrant worker. For the purposes of this subsection, "migrant worker" has the meaning assigned by Section 21.5515 of this code.~~

~~(d) The commissioner may adjust the average daily attendance of a school district in which a disaster, flood, extreme weather condition, fuel curtailment, or other calamity has a significant effect on the district's attendance.~~

Sec. 16.007. PUBLIC EDUCATION INFORMATION MANAGEMENT SYSTEM (PEIMS) (a) Each school district and each county education district shall participate in the Public Education Information Management System (PEIMS) and shall provide through that system information required for the administration of this chapter and of other appropriate provisions of this code.

(b) Each school district shall use a uniform accounting system adopted by the commissioner of education for the data required to be reported for the Public Education Information Management System.

(c) The Central Education Agency shall report annually to the Legislative Education Board the financial status of each county education district. The report shall include the total state and local education revenues for each tier of the Foundation School Program.

Sec. 16.008. EQUALIZED FUNDING ELEMENTS. (a) The Legislative Education Board shall adopt rules, subject to appropriate notice and opportunity for public comment, for the calculation for each year of a biennium of the qualified funding elements under Section 16.256(e) of this code necessary to achieve the state [funding] policy under Section 16.001 of this code not later than the 1994-1995 school year and for each school year thereafter.

(b) ~~The funding elements shall include:~~

~~[(1) a basic allotment for the purposes of Section 16.101 of this code that represents the cost per student of a regular education program that meets the basic criteria for an accredited program including all mandates of law and regulation;~~

~~[(2) the formula or other provision for the cost of education index designed to reflect the geographic variation in known resource costs and costs of education beyond the control of school districts for the purposes of Sections 16.102 and 16.103 of this code;~~

~~[(3) appropriate program cost differentials and other funding elements for the programs authorized under Subchapter D of this chapter, with the program funding level expressed as dollar amounts and as weights applied to the adjusted basic allotment for the appropriate year;~~

~~[(4) the maximum guaranteed level of qualified state and local funds per student for the purposes of Subchapter H of this chapter that represents the costs as determined and limited under Subchapter F of this chapter for exemplary programs including the cost of facilities and equipment until such time as a funding formula for capital outlay and debt service is adopted under Subchapter I of this chapter;~~

~~[(5) the total tax rates for the local funding requirements of Section 16.252 of this code and Subchapter H of this chapter, including tax rates for capital outlay and debt service until such time as a funding formula for capital outlay and debt service is adopted under Subchapter I of this chapter; and~~

~~[(6) the formula elements for the funding formulas for capital outlay and debt service under the provisions of Subchapter I of this chapter.~~

~~[(c)] Beginning in 1992, not later than October 1 preceding each regular session of the legislature, the board [by-rule] shall report the equalized funding elements [calculated under Subsection (b) of this section] to the foundation school fund budget committee, the commissioner of education, and the legislature.~~

~~[(d) Notwithstanding other provisions of this section, the report and recommendations of the Legislative Education Board for the 1993-1994 school year and the 1994-1995 school year shall provide for appropriate transition from the program in effect for the 1992-1993 school year.]~~

Sec. 16.009. REVENUE LIMIT. (a) *The revenue limit is an amount equal to 110 percent of the amount of state and local funds guaranteed under the Foundation School Program per student in weighted average daily attendance to a school district with a total tax rate of \$1.25 per \$100 of taxable value of property as calculated for the 1994-1995 school year.*

(b) *Not later than April 15, the commissioner of education shall estimate the revenue limit for the current school year and shall certify that amount to each school district.*

(c) *Not later than August 15 of each year the commissioner of education shall determine as nearly as possible for the current school year:*

(1) the total amount of state and local funds per student in weighted average daily attendance available in each school district; and

(2) the total amount of local funds per student in weighted average daily attendance required for debt service in each school district.

(d) *The commissioner shall determine the total number of students in weighted average daily attendance in school districts in which the amount specified in Subsection (c)(1) of this section, less the amount specified in Subsection (c)(2) of this section, exceeds the revenue limit.*

(e) *If the total number of students in weighted average daily attendance in districts with state and local revenues exceeding the revenue limit equals or exceeds two percent of the total number of students in weighted average daily attendance for the current school year, no school district may levy a tax at a rate that would result in an amount of state and local funds, excluding funds required for debt service, during the next school year that exceeds the revenue limit, except that those districts exceeding the revenue limit may maintain during the next school year the total amount of state and local funds per student in weighted average daily attendance for the current school year. The commissioner shall notify those districts in which revenues are subject to the limitation imposed in this subsection.*

(f) *In this section:*

(1) "Weighted student in average daily attendance" has the meaning assigned in Section 16.302 of this code.

(2) "Taxable value of property" has the meaning assigned in Section 11.86 of this code.

Sec. 16.010. DEFINITION. *In this chapter, "school district" does not include a county education district unless expressly included.*

Sec. 16.011. NOTICE OF YIELDS TO BE PUBLISHED. (a) *Not earlier than the 30th day or later than the seventh day before the date of adopting a tax rate for the years 1991, 1992, 1993, and 1994, a school district shall publish the following notice, using the yields and tax rates certified by the commissioner:*

"NOTICE OF COMPARABLE TAX RATES AND REVENUES

"The legislature has enacted a statute on school funding to comply with a court mandate enforcing the state constitution. Under prior statutes, the tax rate for last year provides _____ per student in state and local revenues. Under this statute, that same rate now provides _____ per student in state and local revenues.

"State law only requires a minimum tax rate of — for county education districts. State law does not require a school district to adopt additional taxes. Neither does state law require a school district to adopt a tax rate that maximizes the receipt of state funds.

"The board of trustees of the — School District hereby gives notice that it is considering the adoption of a tax rate of — that will provide — per student in state and local revenues."

(b) If a district is required to give public notice of a hearing under Section 26.06, Tax Code, the notice described by Subsection (a) of this section may be included in the required notice under Section 26.06, Tax Code.

(c) The notice described by Subsection (a) of this section shall be published in the two newspapers with the largest circulation within the school district unless only one newspaper is in general circulation within the district. The notice may not be smaller than one-quarter page of a standard-size or a tabloid-size newspaper, and the headline must be 18-point or larger type.

(d) The notice described by Subsection (a) of this section must also be included in the tax bill or a separate statement accompanying the tax bill.

(e) The commissioner shall adopt rules to implement this section.

(f) This section expires January 1, 1995.

SUBCHAPTER B. REQUIREMENTS FOR DISTRICT PARTICIPATION IN THE FOUNDATION SCHOOL PROGRAM FUND

Sec. 16.051. **REQUIRED COMPLIANCE.** In order to receive financial support from the Foundation School Fund, a school district must comply with the standards set forth in this subchapter.

Sec. 16.052. **OPERATION OF SCHOOLS; ~~TEACHER [INSERVICE AND] PREPARATION AND STAFF DEVELOPMENT.~~** (a) Each school district must provide for not less than 180 ~~[175]~~ days of instruction for students and not less than ~~three [eight]~~ days of ~~[inservice training and]~~ preparation for teachers for each school year, except as provided in Subsection (c) of this section.

(b) Each school district must provide for not less than 40 hours of staff development training under guidelines provided by the commissioner of education. The training provided must include technology training and must occur during regular hours of required teacher service.

(c) The commissioner of education may approve the operation of schools for less than the number of days of instruction and ~~teacher [inservice training and]~~ preparation otherwise required when disasters, floods, extreme weather conditions, fuel curtailments, or other calamities have caused the closing of the school.

Sec. 16.053. **ACCREDITATION.** Each school district must be accredited by the Central Education Agency.

Sec. 16.054. **STUDENT/TEACHER RATIOS; CLASS SIZE.** (a) Except as provided by Subsection (b) of this section, each school district must employ a sufficient number of certified teachers to maintain an average ratio of not less than one teacher for each 20 students in average daily attendance.

~~(b) A [Beginning with the 1985-1986 school year, a] school district may not enroll more than 22 students in a kindergarten, first, [or] second, third, or fourth grade class. [Beginning with the 1988-1989 school year, a school district may not enroll more than 22 students in a third or fourth grade class.] This requirement shall not apply during the last 12 weeks of any school year.~~

(c) In determining the number of students to enroll in any class, a district shall consider the subject to be taught, the teaching methodology to be used, and any need for individual instruction.

(d) On application of a school district, the commissioner may except the district from the limits in Subsection (b) of this section if the commissioner finds the limits work an undue hardship on the district. An exception expires at the end of the semester for which it is granted, and the commissioner may not grant an exception for more than one semester at a time.

(e) The commissioner shall report to the legislature each biennium regarding compliance with this section. The report must include:

- (1) a statement of the number of school districts granted an exception under Subsection (d) of this section; and
- (2) an estimate of the total cost incurred by school districts in that biennium in complying with this section.

Sec. 16.055. COMPENSATION OF PROFESSIONAL AND PARAPROFESSIONAL PERSONNEL. (a) A school district must pay each employee who is qualified for and employed in a position classified under the Texas Public Education Compensation Plan set forth in Section 16.056 of this chapter not less than the minimum monthly base salary, plus increments for teaching experience, specified for the position.

(b) Contracts for personnel shall be made on the basis of a minimum of 10 months' service, which must include the number of days of instruction for students and days of [inservice training and] preparation for personnel required by Section 16.052 of this code. The days of [inservice training and] preparation required herein shall be conducted by local boards of education under rules and regulations established by the State Board of Education that are consistent with the state accreditation standards for program planning, preparation, and improvement. Personnel employed for more than 10 months shall be paid not less than the minimum monthly base pay plus increments for experience for each month of actual employment. Personnel employed for 11 months at pay grades 1-11 must render 202 days of service, and personnel employed for 12 months at pay grades 1-11 must render 220 days of service. Personnel employed for 11 months at pay grades 12-18 must render 207 days of service, and personnel employed for 12 months at pay grades 12-18 must render 226 days of service. However, the number of days of service required by this subsection may be reduced by the commissioner under Section 16.052(c)(4) of this code, and the reduction shall not reduce the total salaries of personnel.

(c) Notwithstanding Subsection (b) of this section, a vocational agriculture teacher employed for 12 months shall render 226 days of service regardless of pay grade.

Sec. 16.056. TEXAS PUBLIC EDUCATION COMPENSATION PLAN. (a) School district personnel who are qualified for and employed in positions described in Subsection (d) of this section shall be paid not less than the monthly base salary, plus increments for teaching experience, set forth in Subsection (c) of this section, or greater amounts provided by appropriation.

(b) ~~Each [For the 1989-1990 school year each individual shall be paid at a step set forth in Subsection (c) in an amount that provides \$180 per month increase in salary over that individual's 1988-1989 minimum monthly salary. For the 1990-1991 school year and thereafter each]~~ individual shall advance one step per each year of experience until step 10 is reached. For each year, up to a maximum of two years, of work experience required for certification in a vocational field, a vocational teacher who is certified in that field is entitled to salary step credit as if the work experience were teaching experience.

(c) SALARY SCHEDULE BY STEPS

0	1	2	3	4	5	6	7	8	9	10
1700	1814	1928	2042	2156	2270	2384	2498	2612	2726	2840

(d) The following positions are entitled to the minimum monthly salary set by Subsection (c) of this section for the number of annual contract months specified:

No.
Months Paid
10

Class Title
Nurse, R.N. and/or Bachelor's Degree

No. Months Paid	Class Title
10	Special Education Related Service Personnel (other than Occupational or Physical Therapist), Bachelor's Degree
10	Teacher, Bachelor's Degree
10	Vocational Teacher,
11	Bachelor's Degree and/or
12	Certified in Field
10	Librarian I, Bachelor's Degree
10	Visiting Teacher I, Psychological Associate, Bachelor's Degree
10	Special Education Related Service Personnel (other than Occupational or Physical Therapist), Master's Degree
10	Teacher, Master's Degree
10	Vocational Teacher,
11	Master's Degree
12	
10	Librarian II, Master's Degree
10	Physician, M.D.
10	Teacher, Bachelor of Laws or Doctor of Jurisprudence Degree
10	Teacher, Doctor's Degree
10	Special Duty Teacher, Master's Degree
10	Occupational Therapist
10	Physical Therapist
10	Educational Diagnostician
10	Visiting Teacher II, Master's Degree
10	Counselor I, Psychologist
10	School Social Worker
10	Supervisor I
10	Part-time Principal—11 or fewer teachers on campus
10	Instructional/Administrative Officer I
10	Assistant Principal—20 or more teachers on campus
10	Instructional/Administrative Officer II
11	Principal—19 or fewer teachers on campus
10	Instructional/Administrative Officer III
11	Principal—20–49 teachers on campus
11	Instructional/Administrative Officer IV
11	Principal—50–99 teachers on campus
12	Principal—100 or more teachers on campus
12	Instructional/Administrative Officer V
12	Instructional/Administrative Officer VI
12	Superintendent—District with 3,000 or less ADA

No. Months Paid	Class Title	Officer
12	Instructional/Administrative VII	
12	Superintendent—District 3,001–12,500 ADA	with
12	Instructional/Administrative VIII	Officer
12	Superintendent—District 12,501–50,000 ADA	with
12	Superintendent—District 50,000 or more ADA	with 50,000 or more ADA

(e) With the approval of the State Board of Education, the commissioner of education may add additional positions and months of service to the Texas Public Education Compensation Plan to reflect curriculum and program changes authorized by law. With the approval of the board, the commissioner shall also develop policies for the implementation and administration of the compensation plan.

(f) Each person employed in the public schools of this state who is an educational aide, teacher trainee, or nondegree teacher or who is assigned to a position classified under the Texas Public Education Compensation Plan must be certified according to the certification requirements or standards for each position as established by rule adopted by the State Board of Education. However, additional certification may not be required of a person holding a valid state license as a speech language pathologist or audiologist. Persons other than those holding such a license may only be employed to render such services if an acceptable licensed applicant is not available.

(g) The State Board of Education shall prescribe the general duties and required preparation and education for educational aides, teacher trainees, and nondegree teachers and for the positions listed in Subsection (d) of this section under the circumstances described therein.

(h) In determining the placement of a teacher on the salary schedule under Subsection (c) of this section, a district shall credit the teacher for each year of experience, whether or not the years are consecutive. Notwithstanding the provision of this subsection, no teacher shall be placed on the salary schedule at a step above the step where the teacher would have been placed had that teacher remained in continuous service.

Sec. 16.057. CAREER LADDER SALARY SUPPLEMENT. (a) Except as provided by Subsection (c) of this section, each teacher on level two, three, or four of a career ladder is entitled to the following annual supplement in addition to the minimum salary set by this subchapter:

Level 2	\$2,000
Level 3	\$4,000
Level 4	\$6,000

(b) If the district pays more than the state minimum salary prescribed by this subchapter, the teacher is entitled to the career ladder supplement in addition to the amount otherwise paid by the district for the teacher's step.

(c) If the allotment under Section 16.158 of this code that is designated for support of the career ladder will not fully fund the supplements under this section:

(1) the district may reduce the supplements to not less than the following:

Level 2	\$1,500
Level 3	\$3,000
Level 4	\$4,500

or;

- (2) provide for stricter performance criteria than that provided under Section 13.302 of this code, subject to the approval of the State Board of Education; or
- (3) take action under both Subdivisions (1) and (2) of this subsection.

SUBCHAPTER C. BASIC ENTITLEMENT

Sec. 16.101. BASIC ALLOTMENT. For each student in average daily attendance, not including the time students spend each day in special education or vocational education programs for which an additional allotment is made under Subchapter D of this chapter, a district is entitled to an allotment of \$2,200 [~~\$1,910~~] for the 1991-1992 [~~1990-1991~~] school year, \$2,400 [~~\$2,128~~] for the [~~1991-1992 and~~] 1992-1993 school year, \$2,600 for the 1993-1994 school year, and \$2,800 for the 1994-1995 school year and thereafter [~~years, and \$2,128~~] or a greater [~~an~~] amount adopted by the foundation school fund budget committee under Section 16.256 of this code for the 1993-1994 school year and each school year thereafter. A greater amount for any school year may be provided by appropriation.

Sec. 16.102. COST OF EDUCATION ADJUSTMENT. (a) The basic allotment for each district is adjusted to reflect [~~by multiplying the amount of the basic allotment by an index factor that reflects~~] the geographic variation in known resource costs and costs of education due to factors beyond the control of the school district. *Except as provided by this section, the adjustment is that provided under Section 16.206 of this code.*

(b) *The adjustment for the 1991-1992 and 1992-1993 school years is the cost of education index and formula adopted in December 1990 by the foundation school fund budget committee. For the 1991-1992 and 1992-1993 school years, the commissioner of education shall recalculate the cost of education index for school districts that are eligible for the adjustment under Section 16.103 of this code, excluding from the computation the calculation for the diseconomies of scale component and substituting a value of 1.00. This subsection expires September 1, 1993. [For the 1989-1990 and the 1990-1991 school years, the commissioner of education shall adjust each district's basic allotment by applying the following formula:*

$$ABA = \frac{BA \times 1426}{1350 \times (1 - R)} + T$$

where:

"ABA" is the adjusted basic allotment;

"BA" is the basic allotment;

"PDI" is the price differential index for the district adopted by the State Board of Education in November, 1988;

"ABA89" is the district's adjusted basic allotment for the 1988-1989 school year;

"R" is a factor that is 0.2 for the 1989-1990 school year and 0.5 for the 1990-1991 school year; and

"T" is a factor the application of which the commissioner determines results in limiting the district's loss of state aid to not more than eight percent of the district's prior year maintenance and operations tax levy.

(c) If no index or formula is adopted pursuant to Subchapter E of this chapter, the commissioner shall apply the index and formula provided by this section for the 1990-1991 school year.

(d) Beginning with the 1990-1991 school year, the benefit derived under this section shall be reduced by the commissioner of education if the current year tax collection of the district is less than the collection that would result by imposing a tax rate of \$0.70 on the value of taxable property in the district used under Section 16.252 of this code. The amount of the reduction shall be proportionate to the relationship between the district's tax collection and the collection computed under this subsection.]

Sec. 16.103. SMALL DISTRICT ADJUSTMENT. (a) ~~The [For the 1989-1990 and 1990-1991 school years, the]~~ basic allotment for certain small districts is adjusted in accordance with Subsections (b) and (c) of this section. In this section:

- (1) "AA" is the district's adjusted allotment per student;
 - (2) "ADA" is the number of students in average daily attendance for which the district is entitled to an allotment under Section 16.101 of this code; and
 - (3) "ABA" is the adjusted basic allotment determined under Section 16.102 of this code.
- (b) The average daily attendance of a school district that contains at least 300 square miles and has not more than 1,600 students in average daily attendance is adjusted by applying the formula:

$$AA = (1 + ((1,600 - ADA) \times .0004)) \times ABA$$

- (c) The average daily attendance of a school district that contains less than 300 square miles and has not more than 1,600 students in average daily attendance is adjusted by applying the formula:

$$AA = (1 + ((1,600 - ADA) \times .00025)) \times ABA$$

~~[(d) Beginning with the 1990-1991 school year, the benefit derived under this section shall be reduced by the commissioner of education if the current year tax collection of the district is less than the collection that would result by imposing a tax rate of \$0.70 per \$100 valuation on the value of taxable property in the district used under Section 16.252 of this code. The amount of the reduction shall be proportionate to the relationship between the district's tax collection and the collection computed under this subsection.]~~

~~(e) This section expires September 1, 1993. [If no index or formula is adopted pursuant to Subchapter E of this chapter, a district's basic allotment shall be adjusted under this section in the manner provided for the 1990-1991 school year.]~~

Sec. 16.1031. USE OF SMALL DISTRICT ADJUSTMENT IN CALCULATING SPECIAL ALLOTMENTS. In determining the amount of a special allotment under Subchapter D of this chapter for a district to which Section 16.103 of this code applies, a district's adjusted basic allotment is considered to be the district's adjusted allotment determined under Section 16.103. *This section expires September 1, 1993.*

Sec. 16.104. SPARSITY ADJUSTMENT. Notwithstanding Sections 16.101, 16.102, and 16.103 of this code, a school district that has fewer than 130 students in average daily attendance shall be provided an adjusted basic allotment on the basis of 130 average daily attendance if it offers a kindergarten through grade 12 program and has prior *or current* year's average daily attendance of at least 90 students or is 30 miles or more by bus route from the nearest high school district. A district offering a kindergarten through grade 8 program whose prior *or current* year's average daily attendance was at least 50 students or which is 30 miles or more by bus route from the nearest high school district shall be provided an adjusted basic allotment on the basis of 75 average daily attendance. An average daily attendance of 60 students shall be the basis of providing the adjusted basic allotment if a district offers a kindergarten through grade 6 program and has prior *or current* year's average daily attendance of at least 40 students or is 30 miles or more by bus route from the nearest high school district. *This section expires September 1, 1993.*

SUBCHAPTER D. SPECIAL ALLOTMENTS

Sec. 16.151. SPECIAL EDUCATION. (a) For each full-time equivalent student in average daily attendance in a special education program under Subchapter N, Chapter 21, of this code, a district is entitled to an annual allotment equal to the adjusted basic allotment multiplied by a weight determined according to instructional arrangement~~[, which for the 1989-1990 and 1990-1991 school years is]~~ as follows:

Homebound.....	5.0
Hospital class.....	5.0
Speech therapy	7.11

Resource room	2.7
Self-contained, mild and moderate, regular campus	2.3
Self-contained, severe, regular campus	3.5
Self-contained, separate campus	2.7
Multidistrict class	3.5
Nonpublic day school	3.5
Vocational adjustment class	2.3
Community class	3.5
Mainstream	0.25

(b) A special instructional arrangement for handicapped students residing in care and treatment facilities, other than state schools, whose parents or guardians do not reside in the district providing education services shall be established under the rules of the State Board of Education. The funding weight for this arrangement shall be 5.0 for those students who receive their education service on a local school district campus. A special instructional arrangement for handicapped students residing in state schools shall be established under the rules of the State Board of Education with a funding weight of 5.0.

~~[(d) The legislature by general law may adopt the weights adopted by the State Board of Education for any biennium. If the weights are not adopted, the amount of an allotment under this section is determined under Subsection (a) of this section.]~~

(e) The State Board of Education by rule shall prescribe the qualifications an instructional arrangement must meet in order to be funded as a particular instructional arrangement under this section.

(f) In this section, "full-time equivalent student" means 30 hours of contact a week between a special education student and special education program personnel.

(g) The State Board of Education shall adopt rules and procedures governing contracts for residential placement of special education students. The legislature shall provide by appropriation for the state's share of the costs of those placements.

(h) Funds allocated under this section, other than an indirect cost allotment established under State Board of Education rule, must be used in the special education program under Subchapter N, Chapter 21, of this code.

(i) In the determination of instructional arrangements ~~[and assignment of weights]~~ for students in residential instructional arrangements, the State Board of Education shall develop arrangements ~~[and weights]~~ that encourage placement of students in the least restrictive environment appropriate for their educational needs.

(j) The Central Education Agency shall encourage the placement of students in special education programs in the least restrictive environment appropriate for their educational needs. The Central Education Agency shall provide transitional support for the movement of students from self-contained severe (totally self-contained) to self-contained mild and moderate (partially self-contained) instructional arrangements. For each student placed in a partially self-contained classroom who was placed in a totally self-contained classroom for at least two-thirds of the prior year, a district will receive \$2,500. This payment must be used to facilitate the placement of the student in the less restrictive environment (partially self-contained classroom). A district may not receive more than one support payment for any individual student. This support payment shall be forfeited by the district if the student is returned to the totally self-contained classroom instructional arrangement within one month of placement into the partially self-contained classroom or within one year of initial reclassification without adequate justification.

(k) A school district that maintains for two successive years a ratio of full-time equivalent students placed in totally self-contained classrooms to the number of full-time equivalent students placed in partially self-contained classrooms that is 25 percent higher than the statewide average ratio shall be reviewed by the Central Education Agency to determine the appropriateness of student placement. To the extent that there are net cost savings to the state resulting from the movement of students from totally self-contained to partially self-contained, as provided in Subsection (j) of this section, those net savings will be directed to regional education service centers to provide technical assist-

ance in accordance with Section 11.33(c) of this code regarding the movement of students to less restrictive environments to those school districts whose ratio of full-time equivalent students placed in totally self-contained classrooms is 25 percent higher than the statewide average.

(l) A student in a mainstream instructional arrangement who is not also in another instructional arrangement as provided in Subsection (a) of this section is provided the support necessary for the student to remain in the regular classroom. This support may include related services as defined in Section 21.502 of this code, special teaching, or other special education support services while in the regular classroom.

Sec. 16.1511. SPECIAL EDUCATION EXTENDED SERVICES ALLOTMENT. (a) For each full-time equivalent student in average daily attendance for whom a district provides an extended year program under Subchapter N, Chapter 21, of this code, the district is entitled to 75 percent of the annual allotment that is computed by prorating the adjusted basic allotment for the period of the extended year program and multiplying the prorated amount by the amount designated for the student's instructional arrangement under Section 16.151 of this code.

(b) Funds allocated under this section, other than the amount that represents the program's share of general administrative costs, must be used to provide extended year programs under Subchapter N, Chapter 21, of this code.

(c) In this section:

(1) "Extended year program" means services provided under Subchapter N, Chapter 21, of this code during the period in which school is recessed for the summer.

(2) "Full-time equivalent student" has the meaning assigned by Section 16.151 of this code.

(d) This section expires September 1, 1991.

Sec. 16.152. COMPENSATORY EDUCATION ALLOTMENT. (a) For each student who is educationally disadvantaged or who is a nonhandicapped student residing in a residential placement facility in a district in which the student's parent or legal guardian does not reside, a district is entitled to an annual allotment equal to the adjusted basic allotment multiplied by 0.2, and by 2.41 for each full-time equivalent student who is in a remedial and support program under Section 21.557 of this code because the student is pregnant.

(b) For purposes of this section, the number of educationally disadvantaged students is determined by averaging the best six months' enrollment in the national school lunch program of free or reduced-price lunches for the preceding school year.

(c) Funds allocated under this section, other than an indirect cost allotment established under State Board of Education rule, which shall not exceed 15 percent, must be used in providing remedial and compensatory education programs under Section 21.557 of this code, and the district must account for the expenditure of state funds by program and by campus. Funds allocated under this section, other than the indirect cost allotment, shall only be expended for supplemental purposes in addition to those programs and services funded under the regular education program of the district from all funding sources.

(d) The Central Education Agency shall evaluate the effectiveness of remedial and support programs provided under Section 21.557 of this code for students at risk of dropping out of school.

(e) A school district in which the actual dropout rate in any school year exceeds the state's dropout rate goal for that year under Subsection (a) of Section 11.205 of this code shall, for the school year immediately following that school year, allocate a percentage of the district's allotment under this section to remedial and support programs under Section 21.557 of this code for students at risk of dropping out of school. The percentage allocated to those programs must be at least equal to the state's actual dropout rate for the preceding year. The programs must be programs authorized by the State Board of Education. The Central Education Agency shall provide to the district technical assistance in reducing the district's dropout rate. At the request of a district, the commissioner

of education may exempt the district from the requirements of this section if the commissioner finds that special circumstances in the district merit the exemption.

(f) [(e)] The commissioner of education may:

(1) retain a portion of the total amount allotted under Subsection (a) of this section that the commissioner considers appropriate to finance pilot programs under Section 11.191 of this code and to finance intensive remedial instruction programs and study guides provided under Sections 21.552(b) and (c) of this code; and

(2) reduce each district's allotment proportionately.

(g) [(f)] From the total amount of funds appropriated for allotments under this section, the commissioner of education shall, each fiscal year, withhold the amount of \$10,000,000 and distribute that amount for programs under Section 21.114 of this code. The program established under that section is required only in school districts in which the program is financed by funds distributed under this section and any other funds available for the program.

(h) [(g)] The commissioner of education shall coordinate the funds withheld under Subsection (g) [(f)] of this section and any other funds available for the program and shall distribute those funds. To receive funds for the program, a school district must apply to the commissioner. The commissioner shall give a preference to the districts that apply that have the highest concentration of students who are pregnant or who are parents.

(i) [(h)] After deducting the amount withheld under Subsection (g) [(f)] of this section from the total amount appropriated for the allotment under Subsection (a) of this section, the commissioner of education shall reduce each district's allotment under Subsection (a) proportionately and shall allocate funds to each district accordingly.

~~[(i)] Notwithstanding any provision to the contrary in Section 16.151 of this code, a school district is not entitled to an allotment under that section for the self-contained, pregnant instructional arrangement for students on those campuses for which the district receives funds under Subsection (f) of this section.~~

~~[(j)] From the total amount of funds appropriated for allotments under this section, the commissioner of education shall withhold the amount of \$500,000 for the 1989-1990 fiscal year and \$500,000 for the 1990-1991 fiscal year for the pilot program under Section 11.2052 of this code. The agency may allocate part of that amount for the costs of the study of the effectiveness of the program. After deducting the amount withheld from the total amount appropriated for the allotment under Subsection (a) of this section, the commissioner of education shall reduce each district's allotment under Subsection (a) proportionately and shall allocate funds to each district accordingly. This subsection expires August 31, 1991.]~~

Sec. 16.153. BILINGUAL EDUCATION ALLOTMENT. (a) For each student in average daily attendance in a bilingual education or special language program under Subchapter L, Chapter 21, of this code, a district is entitled to an annual allotment equal to the adjusted basic allotment multiplied by 0.1.

(b) Funds allocated under this section, other than an indirect cost allotment established under State Board of Education rule, must be used in providing bilingual education or special language programs under Subchapter L, Chapter 21, of this code.

(c) A district's bilingual education or special language allocation may be used only for program and pupil evaluation, instructional materials and equipment, staff development, supplemental staff expenses, salary supplements for teachers, and other supplies required for quality instruction and smaller class size.

Sec. 16.155. VOCATIONAL EDUCATION ALLOTMENT. (a) For each full-time equivalent student in average daily attendance in an approved vocational education program in grades nine through 12 or in vocational education for the handicapped programs in grades seven through 12, a district is entitled to an annual allotment equal to the adjusted basic allotment multiplied by a weight of 1.37.

~~[(b)] For each full-time equivalent student in average daily attendance in an approved vocational education program under Section 21.112 of this code, a district is entitled to an annual allotment, beginning with the 1991-1992 school year, equal to the adjusted basic~~

~~allotment multiplied by a weight established by the State Board of Education according to program component. Each weight established by the board must correlate to the costs per student of the program component. The average weight established by the board under this section for all program components in all districts may not exceed the greater of 1.45 or a weight provided by appropriation. The components for which the board shall establish weights are general vocational education, pre-employment laboratory, education for special needs students, and master plan initiatives. The board shall adopt the system not later than 30 days before the first day of each regular session of the legislature.~~

~~[(c) The legislature by general law may adopt the weights adopted by the State Board of Education for any biennium. If the weights are not adopted, the weight contained in Subsection (a) of this section shall be utilized for the determination of vocational education allotments.]~~

(b) [(d)] In this section, "full-time equivalent student" means 30 hours of contact a week between a student and vocational education program personnel.

(c) [(e)] Funds allocated under this section, other than an indirect cost allotment established under State Board of Education rule, must be used in providing vocational education programs in grades nine through 12 or vocational education for the handicapped programs in grades seven through 12 under the provisions of Sections 21.111, 21.1111, and 21.112 of this code.

(d) [(f)] The indirect cost allotment established under board rules shall first be effective for the 1991-1992 school year consistent with the weight effective that year.

(e) [(g)] The commissioner shall conduct a cost-benefit comparison between vocational education programs and mathematics and science programs.

Sec. 16.156. TRANSPORTATION ALLOTMENT. (a) Each district or county operating a transportation system is entitled to allotments for transportation costs as provided by this section.

(b) As used in this section:

(1) "Regular eligible pupil" means a pupil who resides two or more miles from his or her campus of regular attendance, measured along the shortest route that may be traveled on public roads, and who is not classified as an eligible handicapped pupil.

(2) "Eligible handicapped pupil" means a pupil who is handicapped as defined in Section 21.503 of this code and who would be unable to attend classes without special transportation services.

(3) "Linear density" means the average number of regular eligible pupils transported daily, divided by the approved daily route miles traveled by the respective transportation system.

(c) Each district or county operating a regular transportation system is entitled to an allotment based on the daily cost per regular eligible pupil of operating and maintaining the regular transportation system and the linear density of that system. In determining the cost, the commissioner shall give consideration to factors affecting the actual cost of providing these transportation services in each district or county. The average actual cost is to be computed by the commissioner of education and included for consideration by the Foundation School *Fund Budget* [Program] Committee and the legislature in the General Appropriations Act. The allotment per mile of approved route may not exceed the amount set by appropriation.

(d) A district or county may apply for and on approval of the commissioner of education receive an additional amount of up to 10 percent of its regular transportation allotment to be used for the transportation of children living within two miles of the school they attend who would be subject to hazardous traffic conditions if they walked to school. Each board of trustees shall provide to the commissioner the definition of hazardous conditions applicable to that district and shall identify the specific hazardous areas for which the allocation is requested. A hazardous condition exists where no walkway is provided and children must walk along or cross a freeway or expressway, an underpass, an overpass or a bridge, an uncontrolled major traffic artery, an industrial or commercial area, or another comparable condition.

(e) The state commissioner of education may grant an amount set by appropriation for private or commercial transportation for eligible pupils from isolated areas. The need for this type of transportation grant shall be determined on an individual basis and the amount granted shall not exceed the actual cost. The grants shall be made only in extreme hardship cases, and no grants shall be made if the pupils live within two miles of an approved school bus route.

(f) The cost of transporting vocational education students from one campus to another inside a district or from a sending district to another secondary public school for a vocational program or an area vocational school or to an approved post-secondary institution under a contract for instruction approved by the Central Education Agency shall be reimbursed based on the number of actual miles traveled times the district's official extracurricular travel per mile rate as set by their local board of trustees and approved by the Central Education Agency.

(g) A school district or county that provides special transportation services for eligible handicapped pupils is entitled to a state allocation paid on a previous year's cost-per-mile basis. The maximum rate per mile allowable shall be set by appropriation based on data gathered from the first year of each preceding biennium. Districts may use a portion of their support allocation to pay transportation costs, if necessary. The commissioner of education may grant an amount set by appropriation for private transportation to reimburse parents or their agents for transporting eligible handicapped pupils. The mileage allowed shall be computed along the shortest public road from the pupil's home to school and back, morning and afternoon. The need for this type transportation shall be determined on an individual basis and shall be approved only in extreme hardship cases.

(h) The allocation for eligible regular students transported by the regular transportation system shall be increased by five percent for any district or county school board which has complied with the provisions of Section 21.173 of this code in accordance with rules adopted by the State Board of Education.

(i) Funds allotted under this section must be used in providing transportation services.

(j) In the case of a district belonging to a county transportation system, the district's transportation allotment for purposes of determining a district's foundation school program allocations ~~[under Section 16.157 of this code]~~ shall be determined on the basis of the number of approved daily route miles in the district multiplied by the allotment per mile to which the county transportation system is entitled.

Sec. 16.158. CAREER LADDER ALLOTMENT. (a) Each district is entitled to an allotment for support of the career ladder equal to its unadjusted average daily attendance multiplied by \$90.

(b) An allotment under this section may be used only for the purposes of career ladder supplements.

(c) From the funds designated for that purpose, the district shall supplement the salary of each teacher above level one on the career ladder. The district shall decide the amount of supplement to be provided at each career ladder level.

(d) Money received under this section may not be used to supplement the salary of an employee for directing cocurricular or extracurricular activities.

Sec. 16.159. GIFTED AND TALENTED STUDENT ALLOTMENT. (a) For each student a school district serves in a Central Education Agency approved program for gifted and talented students under Subchapter Q, Chapter 21, of this code or, in the case of a district that is developing a program in accordance with standards established by the commissioner of education, for each student the district identifies as gifted and talented under State Board of Education criteria, a district is entitled to an annual allotment equal to the district's adjusted basic allotment as determined under Section 16.102 or Section 16.103 of this code, as applicable, multiplied by[:

~~[(1) .047 for the 1989-1990 school year; and~~

~~[(2) .12 for [the 1990-1991 school year and for] each school year [thereafter] or a greater amount provided by appropriation.~~

(b) Funds allocated under this section, other than the amount that represents the program's share of general administrative costs, must be used in providing approved programs for gifted and talented students under Subchapter Q, Chapter 21, of this code or, in the case of a district that has not yet established a program, in developing programs for gifted and talented students. Each district must account for the expenditure of state funds as provided by rule of the State Board of Education. If by the end of the 12th month after receiving an allotment for developing a program a district has failed to implement an approved program, the district must refund the amount of the allotment to the agency within 30 days.

(c) Not more than five percent of a district's students in average daily attendance are eligible for funding under this section.

(d) If the amount of state funds for which school districts are eligible under this section exceeds the amount of state funds appropriated in any year for the programs, the commissioner of education shall reduce each district's allotment on a pro rata basis.

(e) If the total amount of funds allotted under this section before a date set by rule of the State Board of Education is less than the total amount appropriated for a school year, the commissioner shall distribute the remainder proportionately to the districts that have received an allotment, and no other districts are eligible for an allotment for that school year.

(f) After each district has received allotted funds for this program, the State Board of Education may use up to \$500,000 of the funds allocated under this section for programs such as Future Problem Solving Olympics of the Mind, and Academic Decathlon, as long as these funds are used to train personnel and provide program services. To be eligible for funding under this section, a program must be determined by the State Board of Education to provide services that are effective and consistent with the state plan for gifted and talented education.

Sec. 16.160. TECHNOLOGY FUNDS. (a) Developmental and technology allotment allocations under the provisions of Chapter 14 are included in the Foundation School Program.

(b) Each district shall be allotted the amount specified in Section 14.063 of this code after deductions by the commissioner of education for the purposes of financing programs authorized under Subchapter C, Chapter 14, of this code.

~~[SUBCHAPTER E. COST OF EDUCATION INDEX~~

~~[Sec. 16.178. ADVISORY COMMITTEE. (d) The Central Education Agency shall provide clerical and staff assistance to the advisory committee. Subject to the approval of the State Board of Education, the commissioner of education shall retain from the allotments under Sections 16.102 and 16.103 of this code an amount appropriate to finance necessary additional costs for the study authorized by this subchapter.]~~

SUBCHAPTER F. ACCOUNTABLE COSTS OF EDUCATION

Sec. 16.201. PURPOSE. The accountable costs of education studies are designed to support the development of the equalized funding elements necessary to provide an efficient state and local public school finance system which meets the state policy established in Section 16.001 of this code and provides the research basis for the equalized funding elements under the provisions of Section 16.256 [16.008] of this code. ~~[In determining accountable costs, the boards may not include costs of cocurricular and extracurricular programs and shall consider the results of the efficiency in administration report under Section 16.205 of this code.]~~

Sec. 16.202. STUDIES. ~~[(a)]~~ On a biennial basis, the Legislative Education Board and the Legislative Budget Board, with the assistance of the Educational Economic Policy Center and the Central Education Agency, shall complete each of the following studies and develop recommended amounts where appropriate for each year of the next biennium:

(1) a study of the fiscal neutrality of the system to determine the status of the state and local finance system with regard to the policies established under the provisions of

Section 16.001 of this code, including recommendations for adjustments necessary to maintain fiscal neutrality;

(2) the accountable costs per student to school districts of providing educational programs, personnel, and other operating costs that meet accreditation criteria and the provisions of law and regulation;

~~[(3) a cost of education index designed to reflect the geographic variation in known resource costs and costs of education due to factors beyond the control of school districts];~~

(3) [(4)] program cost differentials designed by program to provide support for the added expense of high-cost courses or programs for students participating in such courses or programs, with the program funding level expressed as dollar amounts and as weights applied to the adjusted basic allotment for the appropriate year;

(4) [(5)] transportation and career ladder allotments;

(5) [(6) the accountable costs per student to districts rated as exemplary under the provisions of Subchapter T of Chapter 21 of this code for the provision of personnel, programs, and other operating expenses, with the limitation that for the 1993-1994 and the 1994-1995 school years this level may not be less than 95 percent nor more than 100 percent of the 95th percentile of state and local revenue per pupil];

[(7)] the levels of tax effort necessary for each tier of the Foundation School Program necessary to fulfill the requirements of Sections 16.001 and 16.008 of this code; and

(6) [(8)] capital outlay and debt service requirements and formula elements for the requirements of Subchapter I of this chapter or other provisions of this chapter.

~~[(b) In the determination of costs and revenues under this chapter, the boards shall consider those costs and revenues necessary for operation, maintenance, and administration and those costs necessary for adequate facilities and equipment and shall exclude all other costs.]~~

Sec. 16.203. PROCEDURES. (a) ~~[In the determination of the statistical measures used for the calculation of fiscal neutrality, the boards shall use only those measures recommended by an impartial panel of persons expert in the use of statistics appointed by the boards.]~~

~~[(b) The cost of education index shall be based on one or more models that consider the effect of school district or other characteristics on the cost of public education in the various school districts of the state. The districts may be divided into a variety of categories that may include region, size, area, density, educational characteristics, and economic conditions. The index shall adjust only for specific resource cost variations caused by factors beyond the control of school districts, to include personnel, variations from optimal district size, and other cost factors. Factors that are addressed by other formula adjustments in the Foundation School Program are not to be considered. Variations should be based on the most efficient service delivery systems. An impartial panel of persons expert in econometric modeling, statistics, and related fields shall be consulted in the development of the index, examination of cost factors, and development of models. The commissioner of education shall collect data necessary to the development of the models and index. The boards shall develop a formula for applying the index to the basic allotment in a manner that appropriately reflects the relative significance of the costs adjusted by the index to the overall cost of a minimum accredited regular education program represented by the basic allotment.]~~

~~[(c) The cost of education index developed jointly by the Legislative Education Board and the Legislative Budget Board shall be submitted to the foundation school fund budget committee for adoption. The cost of education index adopted by the committee shall be effective beginning with the 1991-1992 school year.]~~

[(d)] The program cost differentials developed jointly by the Legislative Education Board and the Legislative Budget Board shall be submitted to the foundation school fund budget committee for adoption beginning with the 1993-1994 [1992-1993] school year. If the foundation school fund budget committee fails to adopt by April 1 the program cost differentials for the following school year, the commissioner of education, after consider-

ing the recommendations developed by those boards, shall adopt program cost differentials.

(b) [(e)] The commissioner of education shall provide appropriate assistance to the boards for the calculation of the various funding elements. Subject to review by the Legislative Education Board, the commissioner of education shall retain from the allotments under Sections 16.102 and 16.103 of this code and Subchapter D of this chapter amounts appropriate to finance necessary additional costs for the studies required under this subchapter.

(c) [(f)] The boards may appoint advisory committees to assist in the development of the various funding elements and studies required under this subchapter. Advisory committee members serve without compensation but are entitled to reimbursement for actual and necessary expenses incurred in the performance of their duties. Reimbursement shall be from funds available under Subsection (b) [(e)] of this section or from other funds available to the boards.

(d) [(g)] In the studies relating to program cost differentials the boards shall give special consideration to cost factors associated with class size, laboratory expenses, materials, equipment, teacher training, necessary salary supplementation, and special services related to individual courses or groups of courses.

Sec. 16.204. NAVAL MILITARY FACILITY IMPACT. (a) The model on which a cost of education index is based must specifically consider the impact of a significant new naval military facility on each district in an impacted region.

(b) If the construction or operation of a significant new naval military facility begins during a school year, the Legislative Education Board and the Legislative Budget Board shall recommend the adjustment of the basic allotment during that school year to consider any impact of the facility on the cost of education index of the districts in the impacted region.

(c) In this section, "significant new naval military facility" and "impacted region" have the meanings assigned by Section 4, Article 1, National Defense Impacted Region Assistance Act of 1985 (Article 689a-4d, Vernon's Texas Civil Statutes).

(d) *This section expires September 1, 1993.*

Sec. 16.205. EFFICIENCY IN ADMINISTRATION REPORT. (a) The commissioner of education shall conduct a study to determine the most appropriate and efficient method for reporting and monitoring the allocation of resources by school districts.

(b) The study shall identify the most effective means for calculating, monitoring, and reporting the proportion of resources that school districts allocate for their administrative costs and shall include administrator-teacher ratios.

(c) The study shall include a description of average efficient administrative expenditures by districts with consideration of district size and demographics.

(d) Prior to the beginning of each regular session of the legislature, the agency shall provide a report with recommendations to the Legislative Education Board and the legislature.

(e) The study is an element of the study of accountable costs of education under this subchapter.

Sec. 16.206. COST ADJUSTMENTS. (a) *The lieutenant governor shall appoint five members of the senate and the speaker of the house of representatives shall appoint five members of the house to a committee to conduct a study of certain costs of providing public education as provided by this section. The lieutenant governor and the speaker shall make the appointments not later than September 1, 1991.*

(b) *The committee shall examine methods of adjusting for specific resource cost variations caused by factors beyond the control of school districts. The committee shall recommend adjustments for these factors that will provide the most efficient service delivery considering optimum district size, enrollment growth, and other cost factors. For the purpose of the study, the committee shall divide districts and campuses into a variety of categories that may include region, size, area, density, educational characteristics, and economic conditions.*

(c) *The committee may appoint one or more advisory panels to assist the committee in conducting the study. Advisory panel members serve without compensation but are entitled to reimbursement for actual and necessary expenses incurred in the performance of their duties.*

(d) *The committee shall recommend adjustments to the Foundation School Program for resource cost variations caused by factors beyond the control of school districts to the foundation school fund budget committee not later than June 1, 1992. The adjustments shall include:*

(1) *an adjustment to account for fast enrollment growth and other factors relevant to a district's need for facilities; and*

(2) *appropriate treatment of the calculation of weighted students under Section 16.302 of this code.*

(e) *The foundation school fund budget committee by rule shall adopt adjustments to the Foundation School Program for resource cost variations beyond the control of school districts to apply beginning with the 1993-1994 school year. The foundation school fund budget committee shall report the adjustments adopted to the legislature and the commissioner of education. If the foundation school fund budget committee fails to adopt the adjustments by September 1, 1992, the commissioner of education by rule shall adopt adjustments not later than October 1, 1992.*

(f) *The rules adopted under this section apply beginning with the 1993-1994 school year. If no rules are adopted under this section, the basic allotment calculated under Sections 16.008 and 16.256(e) of this code shall be increased to reflect the costs associated with the adjustments made by the cost of education index and formula for the 1992-1993 school year.*

SUBCHAPTER G. FINANCING THE PROGRAM

Sec. 16.251. FINANCING; GENERAL RULE. (a) The sum of the basic allotment under Subchapter C, the special allotments under Subchapter D, and the guaranteed yield allotments under Subchapter H, computed in accordance with the provisions of this chapter, constitute the total cost of the Foundation School Program.

(b) The program shall be financed by:

(1) ad valorem tax revenue generated by an equalized uniform *county education* ~~[local school]~~ district effort;

(2) ad valorem tax revenue generated by local school district effort in excess of the equalized uniform *county education district* effort;

(3) state available school funds distributed in accordance with law; and

(4) state funds appropriated for the purposes of public school education and allocated to each district in an amount sufficient to finance the cost of each district's Foundation School Program not covered by other funds specified in this subsection.

(c) The commissioner of education shall compute for each school district the total amount, if any, by which the *district's total revenue* ~~[state aid under this chapter]~~ is reduced from one school year to the next because of a change in the method of *finance* ~~[by which the amount of state aid is determined]~~ under this chapter. The commissioner shall certify the amount of the reduction to the school district for use in determining the school district's rollback rate under Section 26.08, Tax Code.

~~[(d) Not later than June 1 of each year, the commissioner of education shall estimate for and certify to each school district the amount of tax levy for maintenance and operations that will result in the greatest amount of distributions to the district from the foundation school fund under this subchapter in the following school year.]~~

Sec. 16.252. LOCAL SHARE OF PROGRAM COST (*TIER ONE*). (a) Each *county education* ~~[school]~~ district's share of the ~~[its]~~ Foundation School Program shall be an amount determined by the following formula:

$$\text{LFA} = \text{TR} \times \text{DPV}$$

where:

"LFA" is the *county education* district's local share;

"TR" is a tax rate which ~~for each [for the 1990-1991 school year shall be computed by the commissioner of education before the 1990-1991 school year as the rate that will raise a total local share, prior to adjustments, equal to 41 percent of the current year Foundation School Program estimated costs under Subchapters C and D of this chapter other than the adjustments made under Sections 16.102(d) and 16.103(d) of this code, and which shall be \$0.70 per]~~ hundred dollars of valuation is *\$0.72 for the 1991-1992 school year, \$0.82 for the 1992-1993 school year, \$0.92 for the 1993-1994 school year, and \$1.00 for each school year thereafter*, ~~or a rate as adopted by the foundation school fund budget committee for the 1993-1994 and 1994-1995 school years under authority granted in Section 16.256(d) of this code~~; and

"DPV" is the taxable value of property in the *county education* district for the prior tax year determined under Section 11.86 of this code.

(b) The commissioner of education shall adjust the values reported in the official report of the State Property Tax Board to reflect reductions in taxable value of property resulting from natural or economic disaster after January 1 in the year in which the valuations are determined. The decision of the commissioner of education shall be final. An adjustment does not affect the local fund assignment of any other *county education* district.

(c) Appeals of district values shall be held pursuant to Subsection (e) of Section 11.86 of this code.

(d) A *county education* district shall raise its total local share of ~~[its program cost in order to qualify for aid from]~~ the foundation school program ~~[fund]~~. *The funds shall be reallocated to the school districts in the county education district in the manner prescribed by Subchapter J of this chapter.*

(e) The commissioner of education shall hear appeals from *county education* ~~[local school]~~ districts which have experienced a rapid decline in tax base used in calculating the local fund assignment, exceeding eight percent of prior year, that is beyond the control of the ~~[local]~~ board of trustees of the *county education* district. The commissioner of education may adjust the *county education* ~~[local school]~~ district's taxable values for local fund assignment purposes for such losses in value exceeding eight percent and thereby adjust the local fund assignment to reflect the local current year taxable value. The decision of the commissioner of education shall be final. An adjustment does not affect the local fund assignment of any other *county education* district.

(f) For the purposes of Subsection (a) of this section, a county education district's "DPV" for the 1991-1992 school year is the sum of the taxable value of property for the prior tax year determined under Section 11.86 of this code for the school districts composing the county education district. This subsection expires September 1, 1992.

~~[Sec. 16.253. EXCESS OF LOCAL FUNDS OVER AMOUNT ASSIGNED. Local maintenance funds in excess of the amount assigned to a district may be expended for any lawful school purpose or carried over to the next school year.]~~

Sec. 16.254. DISTRIBUTION OF FOUNDATION SCHOOL FUND. (a) The commissioner of education shall determine annually:

- (1) the amount of money necessary to operate a Foundation School Program in each school district;
- (2) the amount of local funds assigned to each *county education* ~~[school]~~ district for the support of the program *that is distributed to the district under Subchapter J of this code*; and
- (3) the amount of state available school funds distributed to each school district.

(b) The commissioner of education shall then grant to each school district from the Foundation School Program appropriation the amount of funds necessary to provide the difference between Subdivision (1) and the sum of Subdivisions (2) and (3) of Subsection (a) of this section.

(c) The commissioner shall approve warrants to each school district equaling the amount of its grant. Warrants for all money expended according to the provisions of this chapter shall be approved and transmitted to treasurers or depositories of school districts in the same manner as warrants for state apportionment are transmitted.

(d) Notwithstanding any other provision of this chapter, if for any year the total state's share of the Foundation School Program~~including enrichment equalization allotments~~, as determined under this chapter, exceeds the total amount appropriated for that year, the commissioner shall reduce the total amount of state funds allocated to each district by an amount determined by a *method under which the application of the same number of cents of increase in tax rate applied to the taxable value of property of each district, as determined under Section 11.86 of this code, results in a levy for each district equal to the amount deducted from that district's allocation* ~~[formula adopted by the State Board of Education. In adopting the formula, the board shall consider each district's taxable property value, each district's effective tax rate, the amount of delinquent taxes as a percent of the district's total tax levy, and other factors that the board considers appropriate]~~.

(e) The commissioner of education shall compute for each school district the total amount by which the district's allocation of state funds is reduced under Subsection (d) of this section and shall certify that amount to the district.

Sec. 16.255. FALSIFICATION OF RECORDS; REPORT. (a) When, in the opinion of the director of school audits of the Central Education Agency, audits or reviews of accounting, enrollment, or other records of a school district reveal deliberate falsification of the records, or violation of the provisions of this chapter, whereby the district's share of state funds allocated under the authority of this chapter would be, or has been, illegally increased, the director shall promptly and fully report the fact to the State Board of Education and the state auditor.

(b) In the event of overallocation of state funds, as determined by the State Board of Education or the state auditor by reference to the director's report, the Central Education Agency shall, by withholding from subsequent allocations of state funds, recover from the district an amount, or amounts, equal to the overallocation.

Sec. 16.256. FOUNDATION SCHOOL FUND BUDGET COMMITTEE. (a) The foundation school fund budget committee is composed of the governor, the lieutenant governor, and the comptroller of public accounts.

(b) On or before November 1 before each regular session of the legislature, the budget committee shall determine and certify to the comptroller of public accounts an amount of money to be placed in the foundation school fund for the succeeding biennium for the purpose of financing the Foundation School Program as described in this code.

(c) The budget committee may, during the biennium, change the estimate of money necessary to finance the Foundation School Program.

(d) The foundation school fund budget committee shall adopt rules for the calculation for each year of a biennium of the qualified funding elements necessary to achieve the state funding policy under Section 16.001 of this code not later than the 1994-1995 school year and for each year thereafter. In the calculation of these funding elements, the committee shall consider the report of the Legislative Education Board prescribed under Section 16.008 of this code.

(e) The funding elements shall include:

(1) a basic allotment for the purposes of Section 16.101 of this code that represents the cost per student of a regular education program that meets the basic criteria for an accredited program including all mandates of law and regulation;

(2) *adjustments* ~~[the formula or other provision for the cost of education index]~~ designed to reflect the ~~[geographic]~~ variation in known resource costs and costs of education beyond the control of school districts ~~[for the purposes of Sections 16.102 and 16.103 of this code]~~;

(3) appropriate program cost differentials and other funding elements for the programs authorized under Subchapter D of this chapter, with the program funding level

expressed as dollar amounts and as weights applied to the adjusted basic allotment for the appropriate year;

(4) the maximum guaranteed level of qualified state and local funds per student for the purposes of Subchapter H of this chapter [~~that represents the costs as determined and limited under Subchapter F of this chapter for exemplary programs including the cost of facilities and equipment until such time as a funding formula for capital outlay and debt service is adopted under Subchapter I of this chapter~~];

(5) the *enrichment and facilities* [total] tax rate under [~~rates for the local funding requirements of Section 16.252 of this code and~~] Subchapter H of this chapter; [~~including tax rates for capital outlay and debt service until such time as a funding formula for capital outlay and debt service is adopted under Subchapter I of this chapter; and~~]

(6) the formula elements for the funding formulas for capital outlay and debt service under the provision of Subchapter I of this chapter; *and*

(7) *the calculation of weighted students in average daily attendance under Section 16.302 of this code.*

(f) Beginning in 1992, not later than November 1 preceding each regular session of the legislature, the foundation school fund budget committee by rule shall adopt and report the equalized funding elements calculated under this section to the commissioner of education and the legislature. Before the committee adopts the elements, the committee or the committee's designees shall hold a public hearing on the recommendations of the Legislative Education Board.

(g) Notwithstanding other provisions of this section, the funding elements adopted by the foundation school fund budget committee for the 1993-1994 school year and the 1994-1995 school year shall provide for appropriate transition from the program in effect for the 1992-1993 school year.

Sec. 16.258. EFFECT OF APPRAISAL APPEAL. (a) If the final determination of an appeal under Chapter 42, Tax Code, results in a reduction in the taxable value of property that exceeds five percent of the total taxable value of property in the school district for the same tax year determined under Section 11.86 of this code, the commissioner of education shall request the State Property Tax Board to adjust its taxable property value findings for that year consistent with the final determination of the appraisal appeal.

(b) If the district would have received a greater amount from the foundation school fund for the applicable school year using the adjusted value, the commissioner shall add the difference to subsequent distributions to the district from the foundation school fund. An adjustment does not affect the local fund assignment of any other district.

Sec. 16.260. FOUNDATION SCHOOL FUND TRANSFERS. (a) In this section:

(1) "Category 1 school district" means a school district having a wealth of less than one-half of the statewide average wealth.

(2) "Category 2 school district" means a school district having a wealth of at least one-half of the statewide average wealth per pupil but not more than the statewide average wealth.

(3) "Category 3 school district" means a school district having a wealth of more than the statewide average wealth.

(4) "Wealth" means the taxable property values reported by the State Property Tax Board to the commissioner of education under Section 16.252 of this code divided by the number of students in average daily attendance.

(b) Payments from the foundation school fund to each category 1 school district shall be made as follows:

(1) 21 percent of the yearly entitlement of the district shall be paid in two equal installments to be made on or before the 25th day of September and October of a fiscal year;

(2) 57 percent of the yearly entitlement of the district shall be paid in six equal installments to be made on or before the 25th day of November, December, January, February, March, and July; and

(3) 22 percent of the yearly entitlement of the district shall be paid in two equal installments to be made on or before the 25th day of April and May.

(c) Payments from the foundation school fund to each category 2 school district shall be made as follows:

(1) 21 percent of the yearly entitlement of the district shall be paid in two equal installments to be made on or before the 25th day of September and October of a fiscal year;

(2) 38 percent of the yearly entitlement of the district shall be paid in four equal installments to be made on or before the 25th day of November, December, March, and July;

(3) seven percent of the yearly entitlement of the school district shall be paid in two equal installments to be made on or before the 25th day of January and February;

(4) 22 percent of the yearly entitlement of the school district shall be paid in two equal installments to be made on or before the 25th day of April and May; and

(5) 12 percent of the yearly entitlement of the school district shall be paid in two equal installments to be made on or before the 25th day of June and August.

(d) Payments from the foundation school fund to each category 3 school district shall be made as follows:

(1) 21 percent of the yearly entitlement of the school shall be paid in two equal installments to be made on or before the 25th day of September and October of a fiscal year;

(2) 57 percent of the yearly entitlement of the school shall be paid in six equal installments to be made on or before the 25th day of November, December, March, June, July, and August; and

(3) 22 percent of the yearly entitlement of the school district shall be paid in two equal installments to be made on or before the 25th day of April and May.

(e) The amount of any installment required by this section may be modified to provide a school district with the proper amount to which the district may be entitled by law and to correct errors in the allocation or distribution of funds. If an installment under this section is required to be equal to other installments, the amount of other installments may be adjusted to provide for that equality. A payment under this section is not invalid because it is not equal to other installments.

SUBCHAPTER H. GUARANTEED YIELD PROGRAM (*TIER TWO*)

Sec. 16.301. **PURPOSE.** The purpose of the guaranteed yield component of the Foundation School Program is to provide each *school* district with the opportunity to supplement the basic program at a level of its own choice *and with access to additional funds for facilities*. An allotment under this subchapter may be used for any legal purpose, including capital outlay and debt service.

Sec. 16.302. **ALLOTMENT.** (a) Each *school* district is guaranteed a specified amount per weighted student in state and local funds for each cent of tax effort over that required for the local fund assignment *of the county education district in which the school district is located* up to the maximum level specified in this subchapter. The amount of state support, subject only to the maximum amount under Section 16.303 of this code, is determined by the formula:

$$\text{GYA} = (\text{GL} \times \text{WADA} \times \text{DTR} \times 100) - \text{LR}$$

where:

"GYA" is the guaranteed yield amount of state funds to be allocated to the district;

"GL" is the dollar amount guaranteed level of state and local funds per weighted student per cent of tax effort, which is \$21.50 [\$17.90] for the 1991-1992 [1990-1991]

school year, \$22.50 for the 1992-1993 school year, \$26 for the 1993-1994 school year, and \$28 [\$26.05] for each school year thereafter, or a greater amount for any year provided by appropriation, or a greater [an] amount adopted by the foundation school fund budget committee under Section 16.256(d) of this code for the 1993-1994 or 1994-1995 school year or thereafter;

"WADA", *except as provided by Section 16.206 of this code*, is the number of weighted students in average daily attendance, which is calculated by dividing the sum of the school district's allotments under Subchapters C and D of this chapter, less any allotments to the district for transportation, [or for] career ladder supplements, or technology and 50 percent of the adjustment under Section 16.102 of this code, by the basic allotment for the applicable year;

"DTR" is the district enrichment *and facilities* tax rate of the school district, which is determined by *dividing* [subtracting the local fund assignment of the district from] the total amount of taxes levied and collected by the school district for the applicable school year [and dividing the result] by the quotient of the district's taxable value of property *as determined under Section 11.86 [(DPV) under Section 16.252]* of this code divided by 100; and

"LR" is the local revenue, which is determined by multiplying "DTR" by the quotient of the district's taxable value of property *as determined under Section 11.86 [(DPV) under Section 16.252]* of this code divided by 100.

(b) Beginning with the 1993-1994 [1992-1993] school year, if the [cost of education index and] program cost differentials developed jointly by the Legislative Education Board and the Legislative Budget Board under Section 16.203 of this code *and the adjustments studied under Section 16.206 of this code* are not adopted by the foundation school fund budget committee or the commissioner of education, the amount guaranteed under this section is an amount per student rather than per weighted student and a school district's average daily attendance ("ADA") under Section 16.006 of this code is substituted for "WADA" in the formula under Subsection (a) of this section.

~~[(c) Beginning with the 1991-1992 school year, the Legislative Education Board under Section 16.008 of this code and the foundation school fund budget committee under Section 16.256 of this code may calculate rates for "GL" and for the limitation on "DTR" under Section 16.303 of this code using a percentile of property wealth per weighted student that is not less than the 90th percentile. The rates calculated will replace the rates stated in Subsection (a) of this section and Section 16.303 of this code.]~~

Sec. 16.303. LIMITATION ON ENRICHMENT AND FACILITIES TAX RATE. [(a)] The district enrichment *and facilities* tax rate ("DTR") under Section 16.302 of this code may not exceed \$0.45 [\$0.37 in the 1990-1991 school year, \$0.48 in each year thereafter,] or a greater [an] amount for 1993-1994 and 1994-1995 school years or thereafter as adopted by the foundation school fund budget committee under Section 16.256(d) of this code.

~~[(b) For districts that have a district enrichment tax rate in 1990-1991 of less than the maximum "DTR" as specified in Subsection (a) of this section, for years subsequent to 1990-1991, the annual maximum "DTR" for the school years 1991-1992 through 1993-1994 shall be limited to the 1990-1991 district enrichment tax rate plus:~~

~~[(1) an amount equal to 25 percent of the difference between the maximum rate and the 1990-1991 district rate for the 1991-1992 school year;~~

~~[(2) an amount equal to 50 percent of the difference between the maximum rate and the 1990-1991 district rate for the 1992-1993 school year; and~~

~~[(3) an amount equal to 75 percent of the difference between the maximum rate and the 1990-1991 district rate for the 1993-1994 school year.]~~

Sec. 16.304. COMPUTATION OF AID FOR DISTRICT ON MILITARY RESERVATION OR AT STATE SCHOOL. State assistance under this subchapter for a school district located on a federal military installation or at Moody State School is computed using the average tax rate and property value per student of school districts in the county, as determined by the commissioner of education.

SUBCHAPTER I. CAPITAL OUTLAY AND DEBT SERVICE

Sec. 16.401. **INVENTORY OF SCHOOL FACILITIES.** (a) The State Board of Education shall establish a statewide inventory of school facilities and shall update the inventory on a periodic basis.

(b) The inventory shall include information on the condition, use, type, and replacement cost of public school facilities in this state.

Sec. 16.402. **STANDARDS.** The State Board of Education shall establish standards for adequacy of school facilities. The standards shall include requirements related to space, educational adequacy, and construction quality. *All facilities constructed after September 1, 1992, must meet the standards in order to be financed with state or local tax funds.*

Sec. 16.403. **ADVISORY COMMITTEE.** The State Board of Education shall appoint a committee composed of 15 persons knowledgeable of various aspects of school facility planning, construction, renovation, and financing. The advisory committee shall provide the board and the commissioner with assistance on the development of the inventory system, the creation of facility standards, and the conduct of facility research related to current and future roles of the state in the provision of financial and technical assistance to school districts. The members of the committee shall serve without compensation but may be reimbursed for actual and necessary expenses.

SUBCHAPTER J. COUNTY EDUCATION DISTRICT DISTRIBUTIONS

Sec. 16.501. **TIER ONE.** (a) *The commissioner of education shall notify each county education district of the total amount of funds that each school district in the county education district is entitled to receive under tier one of the Foundation School Program.*

(b) *For tier one, the board of trustees of each county education district shall distribute the funds collected from the tax levied by the county education district under Section 20.945 of this code to the school districts in the county on the basis of the component districts' share of the taxable value of property of the county education district with the provision that no component district shall receive funds in excess of the cost of tier one less the distribution of the available school fund.*

(c)(1) *Notwithstanding Subsection (b) of this section, for the 1991-1992, 1992-1993, and 1993-1994 school years, for tier one the board of trustees of each county education district shall distribute the funds collected from the tax levied by the county education district under Section 20.945 of this code to the school districts in the county education district as follows:*

(A) *to those school districts that did not receive foundation school funds for the 1990-1991 school year in which the amount of revenue per weighted student from local funds and the available school fund for the 1990-1991 school year exceeds the total amount of revenue per weighted student to which the district is entitled under the Foundation School Program at a tax rate equal to the maximum tax rate authorized under Section 20.09 of this code, the county education district shall distribute an amount equal to the difference between the amount of revenue per weighted student in the district in the 1990-1991 school year from local funds and the available school fund and the levy that results from the application of the maximum rate authorized under Section 20.09 of this code to the district's taxable value of property; and*

(B) *the county education district shall apportion the remaining funds collected from the tax levy to each school district in the county education district on the basis of the component districts' share of the taxable value of property of the county education district with the provision that no component district shall receive funds in excess of the cost of tier one less the distribution of the available school fund.*

(2) *This subsection expires September 1, 1994.*

Sec. 16.502. COLLECTION AND DISTRIBUTION SCHEDULES. The commissioner of education shall establish a schedule for the distribution of funds to each school district under this subchapter.

Sec. 16.503. DEFINITION. In this subchapter, "taxable value of property" is the value determined under Section 11.86 of this code.

SECTION 2. Chapter 20, Education Code, is amended by adding Subchapter G to read as follows:

SUBCHAPTER G. COUNTY EDUCATION DISTRICTS

Sec. 20.941. CREATION: COMPOSITION. (a) Each school district in this state is included in a county education district. A county education district is composed of all school districts whose administrative offices are located in a single county, except as provided by Subsection (b) of this section.

(b) The school districts whose administrative offices are located in each of the following groups of counties constitute a county education district:

- (1) Midland and Andrews*
- (2) Victoria and Calhoun*
- (3) Armstrong, Carson, and Randall*
- (4) Liberty and Chambers*
- (5) Bailey and Cochran*
- (6) Gaines, Borden, Dawson, Lubbock, Lynn, Terry, and Yoakum*
- (7) Howard and Glasscock*
- (8) Hale and Hockley*
- (9) Schleicher, Tom Green, Sterling, and Irion*
- (10) Hidalgo and Kenedy*
- (11) Kent, Crosby, Fisher, Garza, and Scurry*
- (12) King, Cottle, Knox, and Dickens*
- (13) Limestone and Falls*
- (14) Lipscomb, Gray, Hemphill, Hutchinson, Ochiltree, and Roberts*
- (15) Mason, San Saba, and Llano*
- (16) Matagorda, Jackson, and Wharton*
- (17) Frio and McMullen*
- (18) Pecos, Crockett, Jeff Davis, Kinney, Presidio, and Val Verde*
- (19) Bee and Refugio*
- (20) Sherman, Dallam, Hansford, Moore, and Potter*
- (21) Somervell, Bosque, Erath, Hill, and Johnson*
- (22) Kimble and Sutton*
- (23) Brewster and Terrell*
- (24) Upton, Crane, Ector, and Reagan*
- (25) Wheeler, Collingsworth, and Donley*
- (26) Loving, Winkler, Culberson, Reeves, and Ward*
- (27) Starr and Zapata*
- (28) Stonewall and Jones*
- (29) Aransas and San Patricio*
- (30) Leon and Anderson*
- (31) Panola and Shelby*

(c) Before each regular session of the legislature, the Legislative Education Board, with the assistance of the Legislative Budget Board, shall review the taxable value of property in each county education district and shall recommend changes in the boundaries of the districts necessary to ensure that no district has a taxable value of property in excess of \$280,000 per weighted student in average daily attendance, or a value set by the foundation school fund committee.

(d) In this section:

(1) "Taxable value of property" is the value determined under Section 11.86 of this code.

(2) "Weighted student in average daily attendance" has the meaning assigned by Section 16.302 of this code.

Sec. 20.942. AUTHORIZATION. Each county education district is an independent school district established by the consolidation of the local school districts in its boundaries for the limited purpose of exercising a portion of the taxing power previously authorized by the voters in those school districts and of distributing revenue of the county education district to those districts.

Sec. 20.943. GOVERNANCE. (a) A county education district is governed by a board of trustees appointed by the respective boards of trustees of its component school districts.

(b) Except as provided by this subsection, the board of trustees of each component school district shall appoint one of its members to serve on the board of trustees of the county education district. If a county education district is composed of fewer than three component districts, the board of trustees of each component district shall appoint two of its members to serve on the board of trustees of the county education district. An appointed member of the board of trustees serves at the pleasure of the appointing school district's board of trustees and may be replaced at any time by that board. Service on the county education district board is an additional duty of office of the member serving.

Sec. 20.944. ORGANIZATION, MEETINGS, COMPENSATION. (a) A majority of the members of the board of trustees of a county education district constitutes a quorum.

(b) The board shall meet at the call of the chairman or at the request of a quorum of the board members. Meetings shall be held in the central administrative offices of the component school district with the greatest average daily membership unless the board designates another location.

(c) A member of the board receives no compensation but is entitled to reimbursement by the appointing school district for necessary expenses incurred in the exercise of official duties.

Sec. 20.945. LEVY OF TAX; ASSESSMENT AND COLLECTION OF TAXES. (a) The board of trustees of a county education district shall levy a tax at a rate equal to the rate required under Section 16.252 of this code not later than September 1 of each year.

(b) The board may contract with one or more entities to assess and collect taxes for the benefit of the district.

Sec. 20.946. RESIDENCE HOMESTEAD EXEMPTIONS. (a) The voters of a county education district may exempt from ad valorem taxation a percentage of the market value of the residence homestead of a married or unmarried adult, including one living alone, at an election held in the district.

(b) At the first regular meeting of the board, the directors shall order an election to be held on May 2, 1992, on the question of exempting from ad valorem taxation by the district a percentage of the market value of a residence homestead in the district. The amount of the exemption shall be the maximum percentage exemption as provided by Article VIII, Section 1-b(e), of the Texas Constitution.

(c) If the exemption is not adopted at the 1992 election and the board subsequently receives a valid petition requesting an election for the purpose of adopting the

exemption, the board shall hold another election on the proposition. The petition must be signed by a number of registered voters of the district equal to at least five percent of the registered voters residing in the district and must state the percentage of market value to be exempted. The board shall order the election to be held on an authorized election date, as prescribed by Section 41.001, Election Code, occurring not later than 60 days after the date on which the petition is received by the board. If at the election the majority of the votes are cast against the proposition, another election for the same purpose may not be held earlier than the corresponding uniform election date three years after the date of the preceding election ordered under this subsection.

(d) At an election to authorize the exemption, the ballot shall be prepared to permit voting for or against the proposition: "The exemption of ___ percent of the market value of the residence homestead from ad valorem taxation in (name of the county education district)."

(e) For elections ordered under this section, each component school district shall conduct the election and deliver the canvass of the vote to the county education district board of trustees. The county education district board shall conduct a final canvass not later than the second day after the receipt of all school district election returns, and prepare a tabulation of the total number of votes received in each school district and the sum of the school district totals. The proposition is approved only if the majority of the votes reflected in the sum of school district totals favors the proposition. The county education district board shall declare the results and retain the election returns and tabulations for the period for preserving precinct election records.

(f) This section takes effect only if the constitutional amendment proposed by the 72nd Legislature, Regular Session, providing an exemption of a percentage of the market value of a residence homestead from ad valorem taxation in county education districts for tax year 1991 and by election of the voters in future tax years, is adopted. If that amendment is not adopted, this section has no effect.

Sec. 20.947. **AUTHORITY OF COMPONENT SCHOOL DISTRICTS.** The boards of trustees of the component school districts in a county education district retain the authority granted them elsewhere in this code, except the authority to levy that portion of their former taxing authority exercised by the county education district.

Sec. 20.948. **ABOLISHMENT OF COUNTY EDUCATION DISTRICTS.** It is the intent of the legislature to abolish county education districts if the voters adopt a constitutional amendment authorizing the redistribution among other school districts of taxes levied and collected by a school district.

SECTION 3. Subchapter A, Chapter 20, Education Code, is amended by adding Section 20.09 to read as follows:

Sec. 20.09. **TAX LIMITATIONS.** (a) A school district may not impose a total effective tax rate on the \$100 valuation of taxable property in excess of the difference between \$1.50 and the rate levied by the county education district in which the district is located.

(b) A district may impose taxes under this chapter on the residence homestead of a person whose taxes for general elementary and secondary public school purposes are limited under Article VIII, Section 1-b(d), of the Texas Constitution, only to the extent that the imposition, when added to the taxes imposed on the homestead by the county education district, does not increase the person's tax liability for those purposes in violation of the constitutional limit.

(c) A district may impose a rate that exceeds the limitation under Subsection (a) of this section if the additional tax collections are necessary for the payment of principal and interest on debt authorized to be issued by an election held on or before April 1, 1991, and issued before September 1, 1992.

(d) A district may impose a rate that exceeds the limitation under Subsection (a) of this section to the extent necessary for the payment of principal and interest on debt, without reducing maintenance and operations expenditures, for any tax year in which the district's tax rate for the preceding tax year is insufficient to generate the

amount necessary for the payment of principal and interest on debt solely because of a reduction in the taxable value of property in the district. To impose a rate that exceeds the limitation, a district must apply to the commissioner for a waiver of the limit and present evidence that the waiver is necessary solely because of a reduction in the taxable value of property in the district. The commissioner shall grant the waiver if the district is entitled to it under this subsection.

SECTION 4. Chapter 15, Education Code, is amended by adding Section 15.16 to read as follows:

Sec. 15.16. FACILITIES EMERGENCY GRANTS. (a) The Central Education Agency shall make grants to school districts in the 1992-1993 school year to alleviate emergency needs for acquiring, constructing, renovating, or improving capital assets and instructional facilities. The total amount of the grants must be at least \$50 million.

(b) The State Board of Education shall establish procedures and qualifications for obtaining a grant under this section. Under the rules, a priority shall be given to school districts with inadequate sources of funding to meet the demands for adequate funds for its education program and for its facility needs, including debt service obligations. The board may consider, in adopting the rules, the conditions listed in Section 10(a), Public School Facilities Funding Act (Article 717t, Vernon's Texas Civil Statutes).

(c) Except to the extent directly related to the acquisition, construction, renovation, or improvement of capital assets and instructional facilities, a grant may not be used to pay the general administrative expenses of any school district or to pay any part of the salary or benefits of an official or employee of any school district receiving a grant under this section.

(d) In this section:

(1) "Capital assets" means permanent fixtures, mechanical or electrical equipment, or other tangible property that becomes a permanent improvement to an instructional facility or furnishings, other than computers, for an instructional facility that have a life of not less than 10 years.

(2) "Instructional facility" has the meaning assigned by Section 2, Public School Facilities Funding Act (Article 717t, Vernon's Texas Civil Statutes).

(e) This section expires September 1, 1993.

SECTION 5. Section 11.86(a), Education Code, is amended to read as follows:

(a) The board shall conduct an annual study using comparable sales and other generally accepted techniques to determine the total value of all taxable property in each county education school district and each of its component school districts. The study shall determine the taxable value of all property and of each class of property within the district and the productivity value of all land that qualifies for appraisal on the basis of its productive capacity and for which the owner has applied for and received a productivity appraisal. In conducting the studies, the board shall use appropriate standard valuation, statistical compilation, and analysis techniques. For the purposes of this section, "taxable value" means market value less:

(1) the total dollar amount of any exemptions of part but not all of the value of taxable property required by the constitution or a statute that a district lawfully granted in the year that is the subject of the study;

(2) the total dollar amount of any exemptions granted within a reinvestment zone under agreements authorized by the Property Redevelopment and Tax Abatement Act (Chapter 312, Tax Code);

(3) the total dollar amount of any captured appraised value of property that is located in a reinvestment zone and that is eligible for tax increment financing under the Tax Increment Financing Act (Chapter 311, Tax Code);

(4) the total dollar amount of any exemptions granted under Section 11.251, Tax Code;

(5) the difference between the market value and the productivity value of land that qualifies for appraisal on the basis of its productive capacity, except that the productivity value may not exceed the fair market value of the land;

(6) the portion of the appraised value of residence homesteads of the elderly on which school district taxes are not imposed in the year that is the subject of the study, calculated as if the residence homesteads were appraised at the full value required by law;

(7) a portion of the market value of property not otherwise fully taxable by the district at market value because of action required by statute or the Texas Constitution that, if the tax rate adopted by the district is applied to it, produces an amount equal to the difference between the tax that the district would have imposed on the property if the property were fully taxable at market value and the tax that the district is actually authorized to impose on the property; and

(8) the market value of all tangible personal property, other than manufactured homes, owned by a family or individual and not held or used for the production of income.

SECTION 6. Chapter 1, Education Code, is amended by adding Section 1.05 to read as follows:

Sec. 1.05. DEFINITION OF SCHOOL DISTRICT. In this code, "school district" does not refer to a county education district established under Subchapter G, Chapter 20, of this code unless the context clearly indicates otherwise.

SECTION 7. Sections 11.208(a) and (b), Education Code, as added by Chapter 848, Acts of the 70th Legislature, Regular Session, 1987, and renumbered by Section 2.02, Chapter 813, Acts of the 71st Legislature, Regular Session, 1989, are amended to read as follows:

(a) As a part of the teacher *staff development* [~~inservice training and preparation~~] required under Section 16.052 of this code, for each school year the State Board of Education by rule shall require instruction in subject areas that the board considers appropriate. The subject areas may include but are not limited to:

- (1) special education;
- (2) recognition of and response to signs of abuse or neglect in students;
- (3) recognition of dyslexia and related disorders in students and teaching strategies for those students;
- (4) discipline management training;
- (5) teacher appraisal;
- (6) recognition of and response to signs of emotional disturbance in students and to teaching and intervention strategies for those students and their families; and
- (7) recognition of signs that a student is using alcohol or other drugs.

(b) The State Board of Education by rule shall encourage *staff development* [~~inservice training~~] for all school employees and volunteers regarding HIV infection. The board shall require more intensive HIV *staff development* [~~inservice training~~] for teachers, counselors, and other persons employed in programs related to comprehensive health education, substance abuse prevention, or prevention of sexually transmissible diseases, HIV, and AIDS than for other school employees. The *staff development* [~~training~~] for all employees and volunteers shall include information related to:

- (1) methods of transmission and methods of prevention of HIV infection;
- (2) relevant federal, state, and local laws and school district regulations, including those related to the release of medical information, to the confidentiality of test results, and to discrimination against persons infected with HIV;
- (3) state laws relating to the transmission and to conduct that may result in the transmission of HIV; and
- (4) community resources providing HIV education and services.

SECTION 8. Section 11.208(b), Education Code, as added by Chapter 658, Acts of the 71st Legislature, Regular Session, 1989, is amended to read as follows:

(b) The agreement shall include provisions for:

- (1) the commission to assist regional education service centers in providing *staff development* ~~[inservice-training]~~ in substance abuse prevention for school districts;
- (2) the joint annual review by the agency and the commission of the regional education service centers' substance abuse prevention and early intervention programs;
- (3) the exchange of information between the agency and the commission relating to students in need of substance abuse prevention services; and
- (4) a system to provide school districts model peer assistance for substance abuse prevention.

SECTION 9. Section 14.043(a), Education Code, is amended to read as follows:

(a) The State Board of Education, in coordination with institutions of higher education and other public agencies, shall maintain and expand as needed the telecommunications capabilities of school districts, regional education service centers, and the Central Education Agency to provide comprehensive delivery of:

- (1) curricula and *staff development* ~~[inservice-training]~~;
- (2) technical assistance;
- (3) instructional software; and
- (4) other text, graphics, or audio, video, or digitized communications equipment and services.

SECTION 10. Section 21.008(a), Education Code, is amended to read as follows:

(a) Each school district shall operate for either two or three semesters during each school year, at the option of the district, except as provided under Section 21.010 of this code or under rules adopted under Section 21.009 of this code. The semesters must provide the required number of days of instruction for students and ~~[inservice-education and]~~ preparation for teachers.

SECTION 11. Section 21.928(a), Education Code, as added by Chapter 1195, Acts of the 71st Legislature, Regular Session, 1989, is amended to read as follows:

(a) A school administrator or teacher is entitled to access to a student's medical records maintained by the school district only if the administrator or teacher has completed the *staff development* ~~[inservice-training]~~ required under Section 11.208(b) of this code.

SECTION 12. Section 21.136(a), Education Code, is amended to read as follows:

(a) Any school district may offer prekindergarten classes, but a district shall offer prekindergarten classes if the district identifies 15 or more eligible children who are at least four years of age. *A school district may offer prekindergarten classes if the district identifies 15 or more eligible children who are at least three years of age. [To receive state funds for children three years of age, the board of trustees of a district may submit an application for the funds to the commissioner of education. Subject to the availability of appropriated funds, the commissioner shall approve the application if there are 15 or more eligible three-year-old children in the district.]*

SECTION 13. Section 1.04, Tax Code, is amended by amending Subdivision (12) to read as follows:

(12) "Taxing unit" means a county, an incorporated city or town (including a home-rule city), a school district, *a county education district*, a special district or authority (including a junior college district, a hospital district, a district created by or pursuant to the Water Code, a mosquito control district, a fire prevention district, or a noxious weed control district), or any other political unit of this state, whether created by or pursuant to the constitution or a local, special, or general law, that is authorized to impose and is imposing ad valorem taxes on property even if the governing body of another political unit determines the tax rate for the unit or otherwise governs its affairs.

SECTION 14. Section 6.02(b), Tax Code, is amended to read as follows:

(b) A taxing unit *other than a county education district* that has boundaries extending into two or more counties may choose to participate in only one of the appraisal

districts. In that event, the boundaries of the district chosen extend outside the county to the extent of the unit's boundaries. To be effective, the choice must be approved by resolution of the board of directors of the district chosen. *A county education district that has boundaries extending into two or more counties must participate in the appraisal district for the county in which the county education district has its administrative offices.*

SECTION 15. Sections 6.03(c)–(e), Tax Code, are amended to read as follows:

(c) Members of the board of directors are appointed by vote of the governing bodies of the incorporated cities and towns, the school districts *other than the county education district*, and, if entitled to vote, the conservation and reclamation districts that participate in the district and of the county. A governing body may cast all its votes for one candidate or distribute them among candidates for any number of directorships. Conservation and reclamation districts are not entitled to vote unless at least one conservation and reclamation district in the district delivers to the chief appraiser a written request to nominate and vote on the board of directors by June 1 of each odd-numbered year. On receipt of a request, the chief appraiser shall certify a list by June 15 of all eligible conservation and reclamation districts that are imposing taxes and that participate in the district.

(d) The voting entitlement of a taxing unit that is entitled to vote for directors is determined by dividing the total dollar amount of property taxes imposed in the district by the taxing unit for the preceding tax year by the sum of the total dollar amount of property taxes imposed in the district for that year by each taxing unit that is entitled to vote, by multiplying the quotient by 1,000, and by rounding the product to the nearest whole number. That number is multiplied by the number of directorships to be filled. *For a school district, the total dollar amount of property taxes imposed in the district by the unit is considered to be the sum of the taxes imposed by the district and the revenue received by the district from the county education district.* A taxing unit participating in two or more districts is entitled to vote in each district in which it participates, but only the taxes imposed in a district are used to calculate voting entitlement in that district.

(e) The chief appraiser shall calculate the number of votes to which each taxing unit other than a conservation and reclamation district is entitled and shall deliver written notice to each of those units of its voting entitlement before October 1 of each odd-numbered year. The chief appraiser shall deliver the notice:

(1) to the county judge and each commissioner of the county served by the appraisal district;

(2) to the presiding officer of the governing body of each city or town participating in the appraisal district, to the city manager of each city or town having a city manager, and to the city secretary or clerk, if there is one, of each city or town that does not have a city manager; and

(3) to the presiding officer of the governing body of each school district, *other than the county education district*, participating in the district and to the superintendent of those ~~each~~ school districts ~~[district]~~.

SECTION 16. Sections 6.06(d) and (h), Tax Code, are amended to read as follows:

(d) Each taxing unit participating in the district, *other than a county education district*, is allocated a portion of the amount of the budget equal to the proportion that the total dollar amount of property taxes imposed in the district by the unit for the tax year in which the budget proposal is prepared bears to the sum of the total dollar amount of property taxes imposed in the district by each participating unit for that year. *For a school district, other than a county education district, the total dollar amount of property taxes imposed in the district by the unit is considered to be the sum of the taxes imposed by the district and the revenue received by the district from the county education district.* If a taxing unit participates in two or more districts, only the taxes imposed in a district are used to calculate the unit's cost allocations in that district. If the number of real property parcels in a taxing unit is less than 5 percent of the total number of real property parcels in the district and the taxing unit imposes in excess of 25 percent

of the total amount of the property taxes imposed in the district by all of the participating taxing units for a year, the unit's allocation may not exceed a percentage of the appraisal district's budget equal to three times the unit's percentage of the total number of real property parcels appraised by the district.

(h) If a newly formed taxing unit or a taxing unit that did not impose taxes in the preceding year, *other than a county education district*, imposes taxes in any tax year, that unit is allocated a portion of the amount budgeted to operate the district as if it had imposed taxes in the preceding year, except that the amount of taxes the unit imposes in the current year is used to calculate its allocation. Before the amount of taxes to be imposed for the current year is known, the allocation may be based on an estimate to which the district board of directors and the governing body of the unit agree, and the payments made after that amount is known shall be adjusted to reflect the amount imposed. The payments of a newly formed taxing unit that has no source of funds are postponed until the unit has received adequate tax or other revenues.

SECTION 17. Section 6.061, Tax Code, is amended by adding Subsection (f) to read as follows:

(f) A change in the method of financing an appraisal district under this section may not allocate costs of operating the district to a county education district.

SECTION 18. Section 11.13(m), Tax Code, is amended to read as follows:

(m) In this section:

(1) "Disabled" means under a disability for purposes of payment of disability insurance benefits under Federal Old-Age, Survivors, and Disability Insurance.

(2) "School district" means a political subdivision organized to provide general elementary and secondary public education. *"School district" includes a county education district established by the consolidation of the local school districts in its boundaries for the limited purpose of exercising a portion of the taxing power previously authorized by the voters in those school districts.* "School district" does not include a junior college district or a political subdivision organized to provide special education services.

SECTION 19. (a) Section 11.13(n), Tax Code, is amended to read as follows:

(n) In addition to any other exemptions provided by this section, an individual is entitled to an exemption from taxation by a taxing unit *other than a county education district* of a percentage of the appraised value of his residence homestead if the exemption is adopted by the governing body of the taxing unit before May 1 in the manner provided by law for official action by the body. If the percentage set by the taxing unit produces an exemption in a tax year of less than \$5,000 when applied to a particular residence homestead, the individual is entitled to an exemption of \$5,000 of the appraised value. The percentage adopted by the taxing unit may not exceed ~~[40 percent for the tax years 1982 through 1984, 30 percent for the tax years 1985 through 1987, and] 20 percent [in the tax year 1988 and each subsequent tax year].~~ *In addition to any other exemptions provided by this section, an individual is entitled to an exemption from taxation by a county education district of a percentage of the appraised value of his residence homestead if the exemption is adopted by the voters of the district at an election held in the district for that purpose under Section 20.946, Education Code. If the percentage set by the voters produces an exemption in a tax year of less than \$5,000 when applied to a particular residence homestead, the individual is entitled to an exemption of \$5,000 of the appraised value. The percentage adopted by the voters may not exceed 20 percent.*

(b) This section takes effect January 1, 1992, and applies only to tax years beginning on or after that date.

SECTION 20. Section 26.08, Tax Code, is amended by amending Subsections (a), (e), and (g) and by adding Subsection (j) to read as follows:

(a) If the governing body of a school district adopts a rate that exceeds the *sum of the district's effective maintenance rate, the rate of \$0.08, and the district's current debt rate* ~~[rollback tax rate calculated as provided by Section 26.04 of this code]~~, the qualified

voters of the district by petition may require that an election be held to determine whether or not to limit the tax rate the governing body may adopt for the following year. When increased expenditure of funds by a school district is necessary to respond to a disaster, such as a tornado, hurricane, flood, or other calamity (not including a drought) which has impacted a school district and the governor has requested federal disaster assistance for the area in which the school district is located, a petition is not valid under this section to repeal a tax increase adopted the next time the district adopts a tax rate after the date the disaster occurs.

(e) If a majority of the qualified voters voting on the question in the election favor the proposition, the governing body may not adopt a tax rate in the following year that exceeds the rollback tax rate calculated ~~[as provided by Section 26.04 of this code]~~ for that year ~~using~~, ~~except that in calculating the rollback tax rate the assessor shall use~~ the following formula:

$$\text{ROLLBACK TAX RATE} = ((\text{EFFECTIVE MAINTENANCE AND OPERATIONS RATE FOR ELECTION YEAR}) + \$0.08 (\times 1.08)) + \text{CURRENT DEBT RATE}$$

where "election year" denotes amounts used in calculating the rollback tax rate in the year in which the tax increase that initiated the referendum occurred rather than the year in which the calculation occurs.

(g) If a school district is certified by the commissioner of education under Section 16.251(c), Education Code, to have been subject to a reduction in *total revenue* ~~[state funds]~~ for the school year ending on August 31 of the tax year:

(1) the district's effective maintenance and operations rate for the tax year is calculated as provided by Section 26.012, except that last year's levy is reduced by the amount of taxes imposed in the preceding year, if any, to offset the amount of any reduction ~~[in state funds]~~ certified by the commissioner of education under Section 16.251(c), Education Code, for the school year ending on August 31 of the preceding year; and

(2) the district's rollback tax rate for the tax year calculated as provided by Section 26.04 or by Subsection (e) of this section, as applicable, is increased by the tax rate that, if applied to the current total value for the school district, would impose taxes in an amount equal to the amount of the reduction ~~[in state funds]~~ certified by the commissioner of education under Section 16.251(c), Education Code, for the school year ending on August 31 of the tax year.

(j) In a school district that received distributions from an equalization tax imposed under Chapter 18, Education Code, the effective rate of that tax as of the date of the county-unit system's abolition is added to the district's effective maintenance and operations rate under Subsections (a) and (e) of this section in the calculation of the district's rollback tax rate.

SECTION 21. Section 26.12, Tax Code, is amended by amending Subsection (d) and adding Subsection (e) to read as follows:

(d) *Except as provided by Subsection (e), a [A] taxing unit created after June 30 may not impose property taxes in the year in which the unit is created.*

(e) A county education district created after June 30 shall impose property taxes in the year in which the district is created.

SECTION 22. Section 312.002, Tax Code, is amended by adding Subsection (e) to read as follows:

(e) A county education district may not enter into a tax abatement agreement under this chapter.

SECTION 23. Sections 11.273(a), (c), (d), and (g), Education Code, are amended to read as follows:

(a) Except as provided under Subsection (e) of this section, a school campus or district may apply to the *commissioner of education* ~~[State Board of Education]~~ for a waiver of

a requirement or prohibition imposed by law or rule that the campus or district determines inhibits student achievement.

(c) The *commissioner* [board] may grant a waiver under this section for a period not to exceed three years. A prohibition on conduct that constitutes a criminal offense may not be waived.

(d) A school campus or district for which a requirement or prohibition is waived under this section for a period of three years may receive an exemption from that requirement or prohibition at the end of that period if the campus or district has fulfilled the achievement objectives submitted to the *commissioner* [board] under Subsection (b) of this section. The exemption remains in effect until the *commissioner* [board] determines that achievement levels of the campus or district have declined.

(g) The *commissioner* [State Board of Education] in considering exemptions or waivers shall provide as much regulatory relief as is practical and reasonable to campuses or districts that are considered high performing[, beginning in the 1990-1991 school year].

SECTION 24. Section 21.758(a), Education Code, is amended to read as follows:

(a) The commissioner of education may order the suspension of the powers of the board of trustees of a school district if the school district has been rated academically unaccredited for a period of *one year* [two years]. The commissioner shall immediately inform the Legislative Education Board of the commissioner's decision to order the suspension.

SECTION 25. Section 21.930, Education Code, is amended by adding Subsection (g) to read as follows:

(g) Each district shall annually report to the Central Education Agency the involvement of the district's professional staff in district-level decisions under the policy and procedures adopted under this section. The agency shall compile the district reports into a single report and present that report annually to the legislature.

SECTION 26. Chapter 18 and Sections 14.061, 14.062, 14.063(a), 20.46, 20.47, and 21.136(e), Education Code, and Section 26.08(h), Tax Code, are repealed.

SECTION 27. Except as otherwise provided by this Act, this Act takes effect immediately and applies beginning with financing for the 1991-1992 school year, including taxes for the 1991 tax year.

SECTION 28. (a) County-unit systems created under Chapter 18, Education Code, are abolished, and the authority to collect any tax voted under that chapter is revoked except as provided by this subsection. The county tax assessor and collector shall:

(1) collect any tax imposed under Chapter 18, Education Code, before January 1, 1991, including delinquent taxes, and deposit the taxes in the county equalization fund;

(2) pay outstanding debts of the fund incurred before the effective date of this Act; and

(3) after paying all outstanding debts, distribute any additional funds to the school districts in the county in the manner that Section 18.14, Education Code, provided for the distribution of equalization tax funds.

(b) For the purposes of the payment of debts and distribution of funds under Subsection (a) of this section, the county tax assessor and collector may issue warrants against the county equalization fund.

SECTION 29. If any provision of this Act or its application to any person or circumstance is held invalid, the invalidity does not affect other provisions or applications of this Act that can be given effect without the invalid provision or application, and to this end the provisions of this Act are declared to be severable.

SECTION 30. The importance of this legislation and the crowded condition of the calendars in both houses create an emergency and an imperative public necessity that the constitutional rule requiring bills to be read on three several days in each house be suspended, and this rule is hereby suspended, and that this Act take effect and be in force according to its terms, and it is so enacted.

Passed the Senate on February 20, 1991: Yeas 20, Nays 7; March 4, 1991, Senate refused to concur in House amendments and requested appointment of Conference Committee; March 5, 1991, House granted request of the Senate; March 26, 1991, Senate adopted Conference Committee Report by the following vote: Yeas 21, Nays 10; April 8, 1991, Senate reconsidered vote by which it adopted the Conference Committee Report and granted request of House for appointment of Conference Committee; April 11, 1991, Senate recommitted Conference Committee Report to Conference Committee by unanimous consent; April 11, 1991, Senate adopted Conference Committee Report by the following vote: Yeas 21, Nays 10; passed the House, with amendments, on February 28, 1991: Yeas 103, Nays 36, one present not voting; March 5, 1991, House granted request of the Senate for appointment of Conference Committee; April 4, 1991, House refused to adopt Conference Committee Report and requested appointment of Conference Committee; April 8, 1991, Senate granted request of House for appointment of Conference Committee; April 11, 1991, House recommitted Conference Committee Report to Conference Committee; April 11, 1991, House adopted Conference Committee Report by the following vote: Yeas 92, Nays 58.

Approved April 15, 1991.

Effective 90 days after date of adjournment, except § 19 effective January 1, 1992.